



City of Santa Barbara

Parks and Recreation Department

Memorandum

DATE: April 18, 2012

TO: Creeks Restoration/Water Quality Improvement Program
Citizen Advisory Committee

FROM: Cameron Benson, Creeks Restoration/Clean Water Manager

SUBJECT: Recommended Fiscal Year Budget – For Action

COMMITTEE DIRECTION

That the Committee recommend approval of the proposed Creeks Division Fiscal Year 2013 Budget to the Parks and Recreation Commission and the City Council.

DISCUSSION

Each year the Creeks Advisory Committee (Committee) reviews the Creeks Division budget and makes recommendations to the Park and Recreation Commission and the City Council. The Committee also has a Budget Subcommittee that meets to review the proposed budget as it is prepared for public review. The Budget Subcommittee met on March 21, 2012 to review and discuss the proposed budget. This is the second year of a two-year budget cycle, and this year the City Council will be adopting a one-year budget for Fiscal Year 2013 (FY 13).

Budget Summary

The Creeks Division is proposing a \$3,678,444 budget for FY 13. The FY 13 budget includes \$2,353,444 for operating expenses and \$1,325,000 for the capital program. Total projected FY 13 revenue is \$2,997,572, which includes Measure B transient occupancy tax, interest, and other revenue. These revenues are \$138,724 more than projected FY 12 revenue. Due to the large capital program transfer, the Creeks Division is proposing to supplement FY 13 revenue with \$680,872 from the Creeks Fund unappropriated reserve to balance the proposed budget.

The proposed FY 13 budget is substantially similar to the adopted FY 12 budget. The main difference is that the proposed FY 13 budget includes an increase in funding for the capital program (from \$1,225,000 in FY 12 to \$1,325,000 in FY 13), \$60,000 for a water quality public opinion survey required by the City's Storm Water Management

Program, and a one-time \$20,000 maintenance cost for the Upper Las Positas Creek Restoration Project.

Although there is often overlap, the proposed expenditures, including allocations for the capital program, are allocated to projects and programs as follows: water quality – 39%, creek restoration – 45%, and community outreach and education – 16%.

Summary of Budget and Programmatic Changes

Capital Projects – The Committee reviewed and approved the FY 2013 – 2018 Capital Program in October 2011. The proposed capital transfer for FY 13 is \$1,325,000, which represents a \$100,000 increase from FY 12. For the FY 13 budget, funding for the following capital projects is proposed:

Project	FY 13
Storm Water Treatment Retrofit Projects	\$150,000
Mission Creek Restoration at Oak Park	\$150,000
Laguna Channel/Mission Lagoon Restoration	\$500,000
Bacterial Reduction Program	\$50,000
Capital Replacement for Water Quality Facilities	\$25,000
Lower Arroyo Burro Restoration	\$200,000
Watershed Action Plan Implementation	\$100,000
Sycamore Creek Watershed Restoration	\$50,000
Mid-Arroyo Burro Restoration	\$100,000
Total	\$1,325,000

Creeks Division Staff – The proposed FY 13 budget includes \$1,033,499 for salaries and benefits, which represents a \$67,189 increase from the adopted FY 12 budget (\$51,467 of that increase results from the fact that there are no labor concessions – unpaid furlough – included in the FY 13 budget). The proposed FY 13 budget also includes \$40,000 for hourly salaries and benefits. The hourly salaries and benefits will provide necessary funding for 1) part-time hourly staff to provide project management and support on capital projects, 2) part-time hourly student interns, and 3) part-time hourly interns from the City's Youth Apprentice Program.

Contractual and Non-contractual Services – The proposed FY 13 contractual and non-contractual services costs are \$673,000, representing a \$75,000 increase from the adopted FY 12 budget. Proposed FY 13 changes to contractual and non-contractual services include:

- Creek restoration project maintenance will increase by \$20,000 in FY 13 to cover one-time re-mulching expenses for the Upper Las Positas Creek Restoration and Storm Water Management Project.
- Decrease funding by \$5,000 (from \$15,000 to \$10,000) for the preparation of a draft storm water ordinance pursuant to the City's Storm Water Management Program.

- Community information contract funding will increase by \$60,000 in FY 13 to pay for a public opinion survey required by the Storm Water Management Program.

Professional Services – The proposed FY 13 professional services costs are \$165,000, representing no change from the adopted FY 12 budget.

Unappropriated Reserves

The Creeks Fund unappropriated reserve balance at the end of FY 12 is projected to be approximately \$3.5 million. In the past, the Creeks Advisory Committee has recommended maintaining a reserve balance equivalent to the cost of two large capital projects (approximately \$3 million) to be used for capital projects, grant matches, and revenue shortfalls. The proposed FY 13 use of \$680,872 in reserves would leave the estimated year-end reserve balance at approximately \$2.8 million. However, this estimated balance does not take into account potential grant revenue or positive year-end variances which could increase the actual reserve fund balance at the end of FY 13.

Grants

So far this fiscal year, the Creeks Division has been awarded one grant in the amount of \$1,735,500. The grant was from the California Department of Fish and Game's Fisheries Restoration Grant Program for construction of the Mission Creek Steelhead Passage Project at the CalTrans Channels – Phase II. The Creeks Division also has a number of grant applications pending that, if awarded, would provide significant funding for planned capital project construction. Pending grant applications include:

- \$1,889,299 – State Water Resources Control Board for construction of three storm water infiltration retrofit projects
- \$775,000 – California Wildlife Conservation Board for construction of Mission Creek Steelhead Passage at the CalTrans Channels
- \$442,000 – Southern California Wetlands Recovery Project for construction of Mission Creek Steelhead Passage at the CalTrans Channels

Creeks Division staff will continue to actively pursue grants from public and private grant sources.

cc: Nancy L. Rapp, Parks and Recreation Director
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